

THE JOURNAL



OF THE PACIFIC COAST NUMISMATIC SOCIETY

ISSUE 44

JULY 1995

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PACIFIC COAST NUMISMATIC SOCIETY

• Founded 1915 •

610 ARLINGTON AVENUE, BERKELEY, CA 94707

Officers:	President	Stephen M. Huston
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The Journal is the quarterly publication of the Pacific Coast Numismatic Society. Annual subscriptions to *The Journal* are \$15.00. Most back issues are available through the Society. PCNS encourages the reprinting of articles from *The Journal*. Permission may be obtained from the editor. Submission deadlines are March 1, June 1, September 1 and November 1.

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CALENDAR OF COMING EVENTS

July 26, 1995, Wednesday at 8:00 PM: 952ND MEETING
A CHARLESTON, SC, SLAVE BADGE SPEAKER: HERB MILES

August 23, 1995, Wednesday, 8:00 PM: 953RD MEETING
PAPER CURRENCY NIGHT

September 27, 1995, Wednesday, 8:00 PM: 954TH MEETING
ANNUAL WHITE ELEPHANT SALE

Meetings are held the 4TH Wednesday of the month at 8:00 PM

The Knights of Columbus Hall in San Francisco

2800 Taraval Avenue (1 BLOCK WEST OF SUNSET).

Guests Welcome at all meetings

Board Business Meetings are at 7:15, before the regular 8:00 meetings.

MESSAGE FROM THE PRESIDENT

STEPHEN M. HUSTON

Having a wonderful time. Wish you were here. . . .

PCNS has just marked several important milestones. Our 950th meeting, followed immediately by our 80th anniversary banquet, is followed within a month by this—our forty-fourth quarterly issue of *The Journal*. That's eleven years of our members' numismatic writings separate from our monthly bulletins of society news and announcements.

I have been involved in the production of all forty-four issues of *The Journal*, so I am well-placed to notice and comment on a trend in our Society's publication. The trend is disturbing—a steady decrease in the number of writers and a corresponding drop in the range of numismatic topics which are covered.

For many years we have had an unofficial staff of columnists who provide the basic content for each issue, supplemented by numerous less-frequent but exemplary authors whose features have often taken prizes in our annual literary awards. To all of these people we offer our thanks. (The latest literary award winners were recognized at the banquet, and are listed in this issue on page 11.)

However, many of our columnists and frequent writers have had to reduce their output for *The Journal* due to other priorities. After years of writing, we cannot fault them, but it leaves *The Journal* in need of writers of both columns and feature articles. Our need has increased sharply this year.

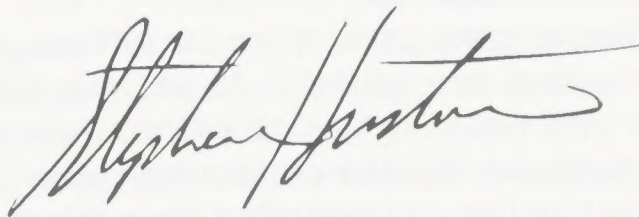
The other trend on which I commented is the subject matter covered in our publication; there has not been a new article on US coins by one of our members in the last 20 issues (5 years) of this publication! Can that field of numismatic study be of so little interest? Have US collectors given up studying their coins? Has no one learned anything worth mentioning to their fellow numismatists, or have they simply failed to report it?

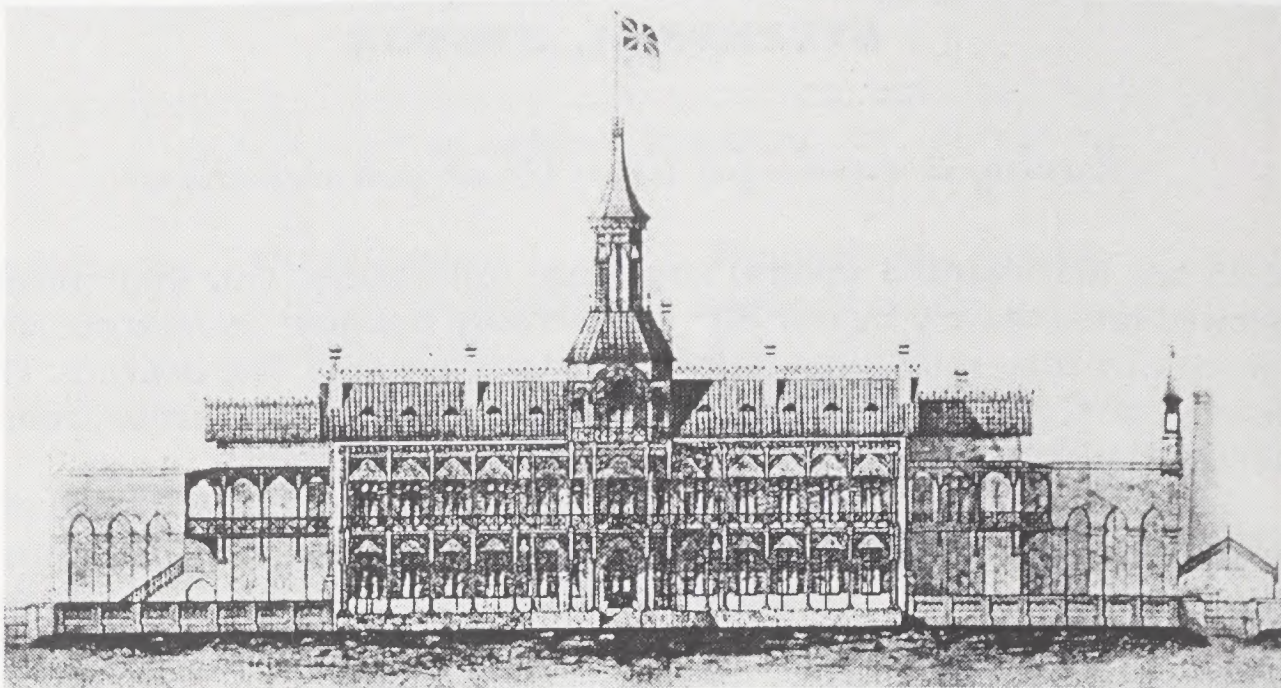
We have room in *The Journal* for regular and occasional writers on US Coins, Paper Money (our *Syngraphist* retired), Numismatic books (the *Bookworm* departed), and any other area one cares to cover.

Try this simple experiment with your last few copies of *The Journal*:

1. Arrange them in chronological order,
2. Thumb through each issue noting the authors' names,
3. Figure out how long ago your own name last appeared,
4. Do something about it.

The Journal is a forum for all of our members. Wish you were here....





THE MINT OF THE FRAGRANT HARBOUR

BY L.V. REPPETEAU

As the result of a little-remembered Chinese-British conflict called the *Opium War* (1840-42), a sparsely inhabited, twenty-nine square mile island on the south coast of China became part of the British Empire. The island, Hong Kong (which means *Fragrant Harbour* in Cantonese), was destined to be the site of an almost forgotten colonial mint from 1866 to 1868.

During their first twenty years Hong Kong's business community and government were forced to live with a dual monetary system. The island's official policy, as decreed by an imperial government in far off London, required use of the British gold sovereign and its subsidiary silver denominations of pounds and shillings. The unofficial local standard, dictated by the island's lifeblood trade with China, was the Spanish silver eight reales coin, or Mexican dollar, as it was commonly called in the Orient.

Spanish merchants had built an extensive trade between the Philippines and the four Chinese ports of Amoy, Canton, Nanpo and Shanghai, beginning in 1571.

In China foreign silver coins were not valued by count, but by weight, with the standard measure being the tael (approximately 580 grains or 37.58 grams). The tael was further subdivided into 10 mace and 100 candareens. To the Chinese, the British concept of silver coins representing fractions of a gold sovereign was incomprehensible. They preferred to place their trust in the familiar Mexican dollars.

This oriental preference for dollars gave Hong Kong's European traders and bankers one gigantic headache. Having few European-manufactured goods with which to trade for Chinese commodities, they were forced to seek and purchase needed dollars wherever they could be found. This problem became further compounded once silver coins reached Chinese shores. Few

ever returned to western markets.

On March 9, 1861, Sir Hercules Robinson, Governor of Hong Kong, petitioned London to reform the currency laws. He requested that the Colony be divorced from the pound sterling system and allowed to adopt the dollar as its basic currency unit. On January 9, 1863, London acknowledged that the British monetary system was not in the best interest of the Colony, and authorization was granted for the Mexican dollar and its subsidiary decimal coinage to be Hong Kong's legal tender.

Flushed with success at his first efforts to reform the coinage, Sir Robinson proposed in 1864 that a mint be established at the Colony. The purpose of such a mint was to provide a "Hong Kong Dollar" of the same weight and fineness as the Mexican dollar. However, before the project could be realized, Robinson left Hong Kong to assume the post of Governor of Ceylon in March of 1865.

When the new governor, Sir Richard Graves MacDonnell, arrived in March 1866, he found the island in the grip of an economic recession. In fact, many banks were closing their doors. Of the Colony's original eleven banks, only four remained open in February 1867.

Much to Sir MacDonnell's dismay, the interim colonial government had forged ahead with the establishment of the mint in spite of falling revenues, to the tune of:

\$238,500 for the reclamation of land and erection of an iron and brick building on Causeway Bay;
\$71,055 to purchase and ship coining machinery from London; and
\$20,000 to provide barracks for British soldiers who would guard the mint.

Assisted by the Royal Mint, a professional coining staff was recruited. One of the perks offered to lure these men halfway around the world was the promise of free living quarters. The 1867 HONG KONG GOVERNMENTAL CIVIL LIST details the staff of the new mint as:

Mint Master	Captain T.W. Kinder	£1,400 per year
Assayer	Charles Pooky	800 " "
Supt. of Melting		800 " "
Supt. of Bullion		800 " "
Supt. of Coining	P.N. Allen	800 " "

It is interesting that the professional staff were paid in British pounds, not the new Hong Kong dollars.

The balance of the work force consisted of five foremen, one blacksmith, one filler, one assistant filler, one storekeeper and five clerks. After a delay in the arrival of coin dies from London, the mint was officially opened by Sir MacDonnell on May 7, 1866. The honor of striking the first regal Hong Kong dollar went to Lady MacDonnell.

The function of the new mint was to convert silver bullion and foreign coins, deposited by local merchants and bankers, into Hong Kong coins. New denominations of five, ten and twenty cents, half dollars and dollars would be provided to the depositor at a coinage fee of two percent. The cost of delivering silver to the mint and of collecting the new coins was paid by the depositor.

To provide security for the stored silver (\$2,000,000 by May 10, 1866), British troops were quartered in the mint building. In addition, a gunboat was moored at its side facing the harbor. Expenses for the security force were borne by the colonial administration.

Less than eight months after the opening ceremonies, bells of doom began to toll. It had been estimated that the mint's annual operating expense would be \$60,000. Therefore, to be self-supporting required coin production levels of \$57,000 a day. However, plagued with management and machinery problems, daily output never exceeded \$15,000 and was usually much less.

To rub salt further into raw wounds, mainland Chinese insisted on discounting the new dollars at the rate of one percent and up to thirty-eight percent for minor denominations. For merchants this translated into an immediate loss of three percent on each dollar, and as much as forty percent on minor coins.

On December 13, 1866, Sir MacDonnell dispatched a report to London in which he recapitulated the management and equipment problems:

Mr. Kinder [Mint Master] reports the average working power of the Mint to be 50,000 dollars daily, as he has been enabled during his long season of repose, to test the English presses more thoroughly and to put them together more perfectly, and has discovered that they can turn out as many though not as well finished dollars in the day as the French press or an average of 15,000 dollars each. That discovery ought to have been sooner made, and its accuracy is not so reliable as might be wished because Mr. Kinder's sanguine temperament has already led him more than once to anticipate and promise too much.

...his explanation of the impaired working powers of the English presses, which apparently amounts to no more than the bearings of the machinery [which] were originally roughly finished and subject to heating, a defect cured by use, a result which I should have supposed ought to have been foreseen and its cause understood earlier.

The Governor went on to advise that continuance of mint operations would be feasible only with subsidies from Britain.

In April of 1868, with the blessings of London, the mint closed. Its machinery was dismantled and sold to Japan for \$60,000, where it was reinstalled at the Osaka mint. The building was purchased by Jardine, Matheson & Co. of Hong Kong for \$65,000 and converted into a sugar refinery.

Interestingly, within three years of the mint's closing, Hong Kong dollars were accepted by mainland Chinese on a par with Mexican dollars. Subsidiary coins, which were at first accepted only at a high discount, reached par and soon were eagerly accepted at substantial premiums by virtue of their convenience.

Many numismatic writers and "knowledgeable" dealers will state that the Hong Kong Mint was a branch of the Royal Mint. This is incorrect. It was independent as:

1. the Hong Kong Mint was authorized by London as a "free mint" and was established at the Colony's expense;

2. silver for coinage was purchased by merchants and banks, who deposited it at the mint at their own expense;
3. parties depositing silver paid a two percent charge for having it coined; and
4. there is nothing in the correspondence between Hong Kong and London in which the term "branch mint" was used or implied.

Combined mintage for the three years of operation were:

Dollars	2,108,054
Half Dollars	58,587
20 Cent pieces	445,429
10 Cent pieces	2,479,216
5 Cent pieces	1,313,303

Total seigniorage earned by the mint during its time of operation was approximately \$20,000. When the books were closed and final costs tabulated, this adventure in coining cost the colonial government of Hong Kong a loss of \$440,000.

And, to think that my grandfather always told me, "if you want to make money, own a mint."

COINS STRUCK BY THE HONG KONG MINT



DOLLAR

Obverse: Diademed head of Queen Victoria facing left. A Chinese scroll pattern separates the legend VICTORIA QUEEN

Reverse: In the center the Chinese character "Shou" (Long Life) is surrounded by four compartments, each containing a Chinese character: HEUNG KONG YAT YUEN (Hong Kong One Dollar). Between the compartments and outer scroll of the border is ONE DOLLAR HONG KONG (date)

The obverse design is from a bust by sculptor William Tread, the reverse by Owen Jones. Dies were sunk by Leonard C. Wyon of the Royal Mint in London.

Edge: Reeded

Diameter: 39mm

Weight: First Issue: 27.25 grams, or 419.05 grains.

Second Issue: 26.96 grams, or 416.00 grains.

(Original weight of the dollar was 419.052 troy grains. Treasury regulations

of October 20, 1866 [published in Hong Kong January 12, 1867], reduced the dollar's weight to 416 grains. However, actual weight of the dollars struck at Hong Kong varies from below 416 grains to in excess of 420 grains, so caution must be exercised when weight is used in the detection of counterfeits.)

Fineness: .900 fine

Mintage: 2,108,504 (only total figures for 1866-68 are available)

Proofs: Known for 1866, 1867 and 1868.



HALF DOLLAR

Obverse: Same as the dollar.

Reverse: Similar to the dollar except for the Chinese characters: HEUNG KONG PAN YUEN (Hong Kong Half Dollar). Between the compartments and outer scroll of the border is: HALF DOLLAR HONG KONG (date).

Edge: Reeded.

Diameter: 32mm

Weight: First Issue, 13.58 grams, or 209.50 grains.
Second Issue, 13.48 grams, or 208.00 grains. (See dollar)

Fineness: .900 fine.

Mintage: 58,587 (for 1866 and 1867 only)

Proofs: 1866, 1867 and 1868

TWENTY CENTS

Obverse: Same as the dollar.

Reverse: Encircling a center dot are four Chinese characters: HEUNG KONG I HO (Hong Kong Two-Tenths)

Edge: Reeded.

Diameter: 23.4mm

Weight: 5.43 grams, or 83.81 grains

Fineness: .800 fine

Mintage: 445,429 (1866 through 1868)

Proofs: 1866, 1867 and 1868

TEN CENTS

Obverse: Bust facing left, wearing an open arched crown and ornamental bodice, all encircled by the legend: VICTORIA QUEEN.

Note: Bust is similar to that used on the British florin designed by W. Wyon.

In 1866 approximately 300,000 Hong Kong ten cent pieces were also minted at the Royal Mint. These differ from the Hong Kong-struck pieces by the number of pearls on the right arch of the crown.

Royal Mint

10 pearls on the crown

Hong Kong Mint

11 pearls on the crown

Reverse: Same as the twenty cents except that the Chinese characters read: HEUNG KONG YAT HO. Around the outer rim is TEN CENTS (date) HONG KONG

Edge: Reeded.

Diameter: 18mm

Weight: 2.72 grams, or 41.9 grains

Fineness: .800

Mintage: 2,479,216 (1866 through 1868)

Proofs: 1866, 1867 and 1868

FIVE CENTS

Obverse: Same as the dollar.

Reverse: Same as the twenty cents except that the Chinese characters read: HEUNG KONG NG SIN (Hong Kong Five Cents). Around the outer rim is FIVE CENTS (date) HONG KONG

Edge: Reeded.

Diameter: 15.8mm

Weight: 1.15 grams, or 20.95 grains.

Fineness: .800

Mintage: 1,313,303 (1866 to 1868)

Proofs: 1866 and 1867

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Correspondence with the Curator, Hong Kong Museum of History, Star House, Kowloon, Hong Kong.



LETTERS TO THE EDITOR

NO LID FOR THE CAN OF WORMS

Since the April issue of THE JOURNAL, the book review on Russell Rulau's STANDARD CATALOG OF UNITED STATES TOKENS has been reprinted in JERSEYANA: THE NEW JERSEY EXONUMIA SOCIETY OFFICIAL PUBLICATION, and is scheduled to appear in a publication of the Sydney (Australia) Coin Club. Two additional comments have been received on the review and are printed below.

Editor,

Thoroughly enjoyed your Rulau critique. The worst element from my perspective was the price structure. There are pieces I'll pay ten times catalog, and others that are not worth 10% of catalog value. It's as if he guessed.

I disagree with your opinion. It does have enough plates of items not previously seen to warrant buying at \$45.00.

Alan Weinberg
Woodland Hills
California

Editor,

Thanks for the review of Rulau's United States token book. I hardly see myself buying it after his Latin America book which left me no confidence in his valuations or attributions. Certainly in the West Indian section he reintroduced Byrne's fantasies that have been totally discredited.

Valuations range from being $1/10^{\text{th}}$ of what they should be to five times as much as they bring, which indicates a total lack of knowledge of the series. I wonder why the Krause firm publishes such books which surely must degrade its name. If I do not believe in the prices and attributions, then why buy any other book by the same author? Especially since it does not include original research, but is copied from the works of others.

Bob Lyall
Warrington, Cheshire
England

Editor's Note: Bob Lyall is author and compiler of THE TOKENS, CHECKS, METALLIC TICKETS, PASSES, AND TALLIES OF THE BRITISH CARIBBEAN & BERMUDA. [Token and Medal Society 1988]. He refers to another recent work by Mr. Rulau, LATIN AMERICAN TOKENS [See book review in THE JOURNAL, July 1993]. Ray Byrne was prominent in the field of Caribbean numismatics.

PCNS 80TH ANNUAL BANQUET:

LITERARY AWARDS, SOUVENIRS & ANA AWARDS

The PCNS banquet on June 24, 1995, marked the 80th anniversary of the society—an event which did not go unmarked by the American Numismatic Association or our own members.

Annual literary awards were presented for articles published during the previous year in *The Journal*. Our congratulations to the winners:

FIRST PRIZE

Jerry F. Schimmel

SECOND PRIZE

Larry V. Reppeteau

THIRD PRIZE

Prof. Ernesto Melgar S.



Our thanks go to all contributors to *The Journal* for their efforts, which provide our society with one of the best publications in the hobby.

The ANA sent their representative (a PCNS member, of course), Helen Carmody, to attend the event, bearing gifts in the form of a special award trophy, certificate and pin. This was in honor of PCNS being the oldest numismatic society in the western USA, hosting the ANA during our first year, 1915.



Elongated Cent issued by PCNS

Meanwhile, our own officers distributed a commemorative wooden nickel and elongated cent to all who attended. Those two items were also distributed at our 950th monthly meeting in May (and are available for sale for \$1 for the pair, plus SASE, while the supply lasts).

What was *not* available elsewhere was the special souvenir mini-card which was specially printed on a heavy card and distributed only to the banquet guests. A reproduction of the card is shown on the following page of this issue. For those members who missed the banquet but want the souvenir card...*you really should have been there.*

Excellent food was followed by Bingo!



Pacific C

Celebration



Founded in con

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Pacific Coast Numismatic Society

100 Years of Numismatics in San Francisco

1915 ~ 1995



in connection with the 1915 Panama-Pacific International Exposition

under the direction of Farran Zerbe, Chief of the US Mint Exhibit

and as the organizing organization for the 1915 ANA Convention •

ISSUED JUNE 24, 1995 • THE PCNS 80TH ANNUAL BANQUET

San Francisco Through Its Exonumia

by Jerry F. Schimmel

COLUMBIA, THE GEM OF THE BARBARY COAST

Not often in a big city do vice, degeneracy and sin flourish within the shadows of a Hall of Justice. Close to the new municipal building on the corner of Kearny and Washington streets are a number of the lowest and vilest resorts that blot this city's streets. They are underground for the most part, buried beneath the sidewalks which cover but cannot hide the obscene exhibitions, the abandon of all show of decency and the steeping in vice that goes on in these places unhampered by police interference.

This is the Barbary Coast....

from *The San Francisco Call*, April 10, 1900

Oofy Goofty let you slug him for a dime. Prices went up if walking sticks or more imaginative devices replaced the knuckles. The depth of a man's pocket was not important; rates were negotiable. O.G.'s calling was habitually practiced in Bottle Koenig's saloon at 630 Pacific Street, San Francisco. In the 1880s Koenig's door opened to the street a few yards up from Montgomery Avenue (now Columbus Avenue) on the north side, and extended through the wedge-shaped block. Oofy Goofty's career began in a cage.

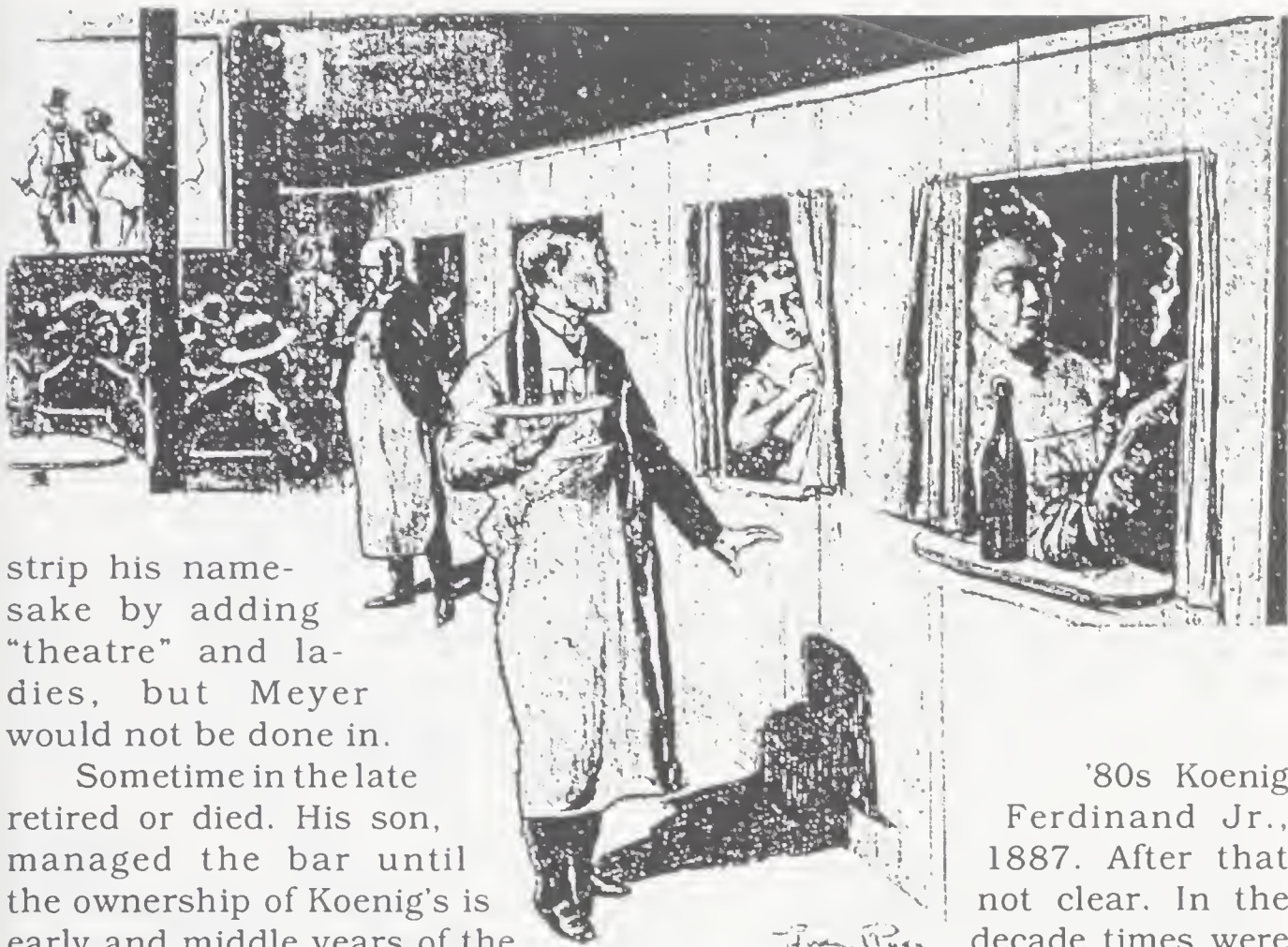
Two creative entrepreneurs covered him with tar stuck all over with animal hair, then set him up on Market Street. Billed as the original Wild Man, customers paid one-tenth of a dollar to watch him tear raw meat from animal bones with his teeth. To be sure that one and all believed he was the real McCoy, he beat on his chest and howled "Oofy Goofty! Oofy Goofty!" a state-of-the-art greeting from the feral to any gathering of the civilized. Hence the moniker.

After a stint of playing Romeo at the Bella Union on Portsmouth Square opposite Big Bertha's Juliet, he settled for Koenig's in the middle '80s. (Bertha was notoriously heavy and strong enough to once have lifted a mule out of the orchestra pit. Strapped to the back of said beast during one performance, it accidentally stepped off the stage and both landed in a tangle among the surprised musicians.) After the turn of the decade Oofy Goofty was never heard from again. If he had another name, no one ever mentioned it.

BOTTLE KOENIG'S

"Bottle" Koenig, born Ferdinand, leased space in the 600 block of Pacific Street from 1869 on, the traditional main drag of the Barbary Coast. Billed as a variety theatre and saloon, his establishment specialized in entertainments popular with single working stiffs out on the town, and became a hangout for Italian fishermen from North Beach.

He stole the odd name from Bottle Meyer. Meyer had propelled beer mugs down the bar since the 1850s, setting up first just off Dupont Street (now Grant Avenue), and locating finally on the south side of the 500 block of Pacific near Montgomery Street. Different from most "Coast" dives, he only sold beer, nor did women integrate his premises. Koenig worked to out



strip his name-sake by adding "theatre" and ladies, but Meyer would not be done in.

Sometime in the late retired or died. His son, managed the bar until the ownership of Koenig's is early and middle years of the tough. Homeless wandered the in doorways. Koenig's probably changed hands then, or even shut down for a time. By the mid-'90s a lady of French persuasion, Josephine Dupree, took the proprietorship and kept the old name until '97.

Under Koenig's regime a squad of waiters mustered on the saloon floor every night. Their job was to supply bar concoctions to thirty ladies and any gentlemen acquaintances. These "Percentage Girls" generated charm for the *pescatori*, the ultimate purpose of which was getting them to drink up and leave behind every penny they had. A stoneware bottle of beer sold for ten cents during daylight hours and for a buck at night.

'80s Koenig Ferdinand Jr., 1887. After that not clear. In the decade times were streets and camped

THE COLUMBIA

The name "Columbia" caught the eye of city gentry when an article appeared in the *SAN FRANCISCO CALL* just before the 20th Century dawned:

The cleanest, newest and brightest of all the dance halls on the Coast is the Columbia, 630 Pacific Street. These qualifications apply only to the outward material appearance and not to the female fixtures, who ply the same vocation as their sisters on Kearny Street. A dance for a drink and a drink for a commission is their watchword. Whenever the drink is bought the woman receives a brass check.

The new pub carried on with Koenig's entertainments, apparently undiminished. Cheap variety acts supported by a cast of genial escorts provided the attractions. Beer, peanuts, and unshelled shrimp garnished the revelries. Husks and nutshells blanketed the rough floor, and, over the course of an evening, were mashed into a fishy amalgam. Two Italians, John DeLucca and Roland Leveroni, abandoned deep-sea trawlers to preside over the old street

number until the 'quake and fire of 1906 drove them back to the docks. The address "215 Montgomery Ave." shown in the token drawing was Koenig's back door. The new place opened at both 630 and 215.

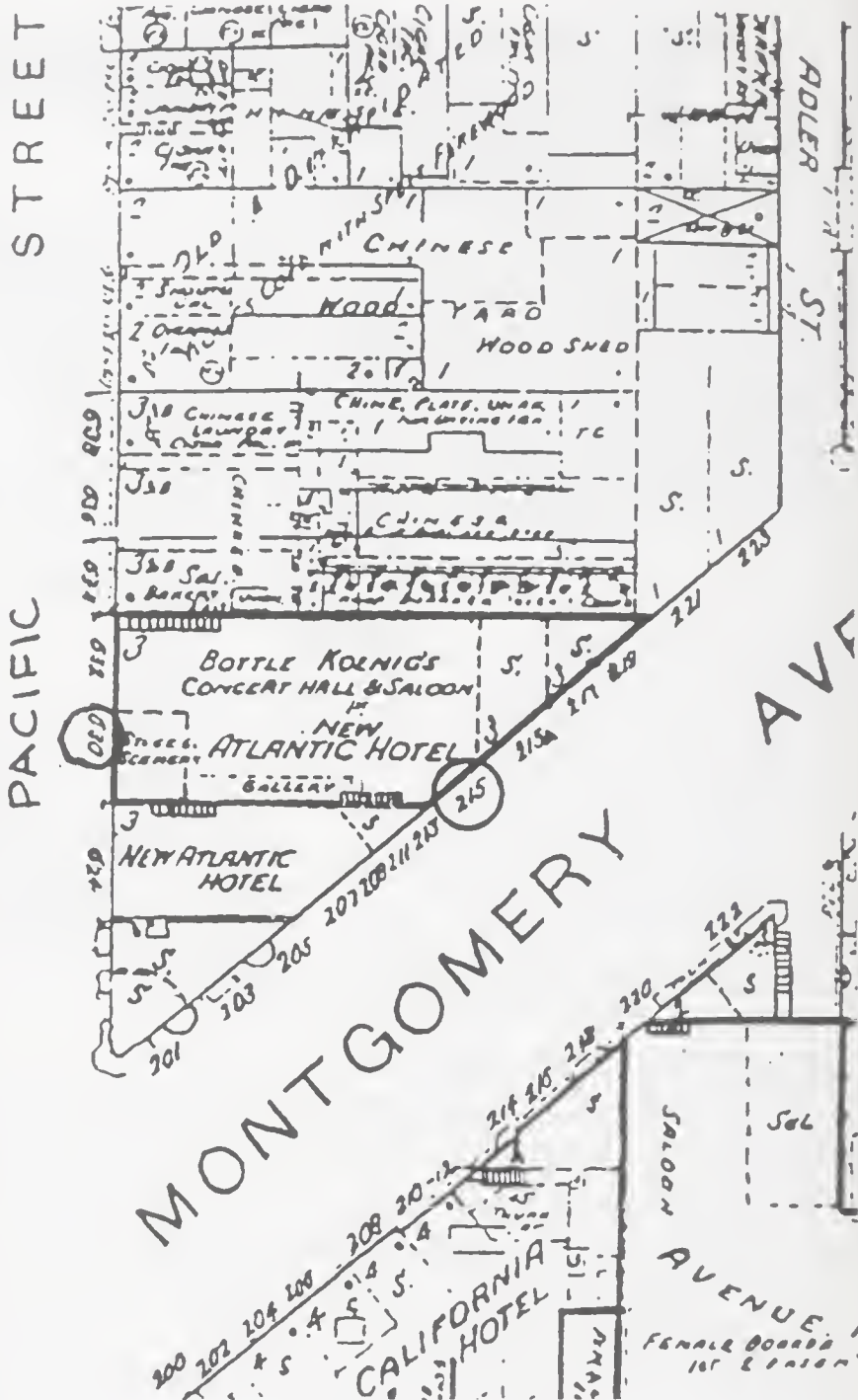
IRVIN BARUCH

A tie-in between the Columbia and Irvin Baruch can be surmised only from two aluminum checks which show both names. Baruch was a Frisco resident of record at 815 Van Ness Avenue in 1898, the most likely year when his tokens were made. His connection to the saloon coincided with the Alaska Gold Rush and Spanish-American War. The two events loosened purse strings of army paymasters and shipping companies. The sounds of gold and silver coin on hardwood reassured saloon keepers like they had not been for years.

Baruch's relation to the Columbia had to be short-lived, although he must have originated the name. Multi-talented, he listed musician, administrator and tailor among several callings. In the middle '90s he served as Manager of the Cosmopolitan Club at Market and O'Farrell streets, commuting to the city from Alameda across San Francisco Bay. By 1900 his name was gone from the public lists.

FRISCO SALOON AND DANCE HALL CHECKS

The war and gold rush crowded single men into town like nothing since 1849. Demand for dance halls, saloons and comfort services mushroomed. The old tally system of chalk marks on a blackboard used in most bars broke down as keeping track of drinks and sundry services activities became too involved. Plain or hand-stamped brass chits used in a few places proved easy to finagle. The turnover of "girls," bartenders and waiters meant that the metal checks system worked best when tokens were customized with saloon names and addresses. The same kinds of problems developed with thousands of tokens dropped into orchestrions, slot machines and pay telephones.

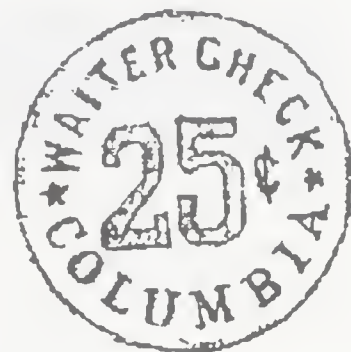


THE COLUMBIA TOKENS

The phrase "Waiter Check" is not much encountered these days. In many saloons waiters, all men, saw to the bar ladies. They determined how much a woman got for her evenings of dalliance (a privilege often abused to her detriment).

When the price of beer went up to a dollar at night, the higher rate paid for more than the rent, wet goods, bartender and performers. Splits for the waiters and "girls" had to be reckoned, the women receiving as much as thirty to fifty percent. Aluminum tokens at the Columbia became to waiters what "brass checks" were to the ladies.

Two examples of the 25¢ token are known, one pitted from lying around in the damp. Neither had been circulated. The above newspaper quote mentioned brass checks at the Columbia, but no one living has ever seen one. The L.H. Moise Company, a major diesinker for nearly four decades, struck the waiter tokens.



EPILOGUE

In our day Oofy Goofty would have been elected hands down as member emeritus in any local whips-and-chains club. Would Bertha have gone to Weight Watchers? Just picture "Svelte Bertha" lifting her mule onto the stage.

After 1906, a dance hall known as *The Leader* rose from the ashes of the Columbia and lasted two years. Now the People's Ave Mall thrives on the site, a Chinese vegetable and fruit market. Above it is one of Brandy Ho's restaurants and the Suzy Hotel.

TOKEN DESCRIPTIONS AND CATALOGUE DESIGNATIONS

(Narrative descriptions are derived from those listed by the two cataloguers of California tokens, Stephen Album and Charles Kappen.)

Aluminum 28mm, denticled borders and plain edge.

O: WAITER CHECK/ 25¢/ ☆COLUMBIA☆

R: IRVIN BARUCH/ 215/ MONTGOMERY AVE./—•—/ S.F./+++/ l.h. moise s.f.
(Album #SFO80-B53; Kappen #191)

Aluminum 21mm, plain borders and edge.

O: WAITER CHECK/ 5¢/ ☆COLUMBIA☆

R: IRVIN BARUCH/ 215/ MONTGOMERY AVE, S.F. (sic)/l.h. moise s.f.
(Album #SFO80-B52; Kappen #unlisted. Token not examined by this author.)

SOURCES

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California Tokens, Charles Kappen (1976)

Catalogue of California Trade Tokens, Vol. II (1974) and Supplement (1975),

Stephen Album

The Old Streets of San Francisco, Jerry Schimmel (1993)

The San Francisco Call, April 10, 1900.

U.S. Census 1900, and various directories.

From the Idle Mind of Stephen M. Huston

On Violating Gresham's Law: Washington and Florence Caught in the Act

OR

Why the Best Coins are Nearly Impossible to Collect

Bad money drives out good. —GRESHAM'S LAW

WE HAVE ALL HEARD OF GRESHAM'S LAW, that bad money drives out good money, i.e. low quality coins will supplant coins of greater intrinsic value if they ever meet in the marketplace. This law works for one simple and unpleasant factor—it relies solely on human greed as its agent of enforcement.

This is well-illustrated by examples from Renaissance Florence and the early coinage of the United States.

THE FLORENTINE STANDARD



Florentine Silver Barile, c. 1504

In the sixteenth century, the Duke of Florence embarked on a course of action which nearly destroyed the local economy—he refused to debase his coinage. At the beginning of the 1500s, Florence issued coins which were largely unchanged in intrinsic value from those of the late 1300s. Meanwhile, the kingdoms and provinces of surrounding rulers started debasing their coinage and revaluing the gold to silver ratio as Italy received a huge influx of *Spanish* silver from the New World.

Florence, however, held firm to the old standards. The reputation which this earned for the city was enviable but disastrous. Its coinage was regarded as the finest obtainable in Italy, therefore everyone tried to obtain it! The result was that after many years of holding out against the debasement trend of surrounding areas, no legal coinage of Florence could be found in Florence. It had all been withdrawn from circulation by speculators who shipped it to other places where it could be sold for its real intrinsic worth—considerably more than its legal value in Florence.

The result was that no Florentine money circulated in Florence and no other money was allowed to circulate there. (The duke had imposed that restriction in an ill-conceived attempt to stop the trade in his own coinage, which was being sold to outsiders for their own money. He had even gone so far as to order confiscation of all non-Florentine coinage which was not taken to the mint for recoinage. This failed because the fee for recoinage ate up the profits of the speculators at the official rate imposed by the duke.)

When one of the richest cities in Italy found itself without any form of money except bank credits, trade suffered. It was reported that there was no

coinage in gold or silver in private hands and the "banks paid only in ink." It was typical for a depositor at a bank to attempt to withdraw coinage he had deposited, only to be given a draft authorizing him to obtain the funds from credit which his bank had at another bank. This game of musical chairs provided the Florentine form of "revolving credit," but no money was forthcoming. The local economy ground to a halt.

Eventually the Duke of Florence allowed the coinage of the neighboring regions to circulate inside his domain, and trade was revived.

Florence had gained the reputation of having the finest monetary standards in all of Europe, but the price had been economic collapse and failure of many of the largest Italian banking houses.

AMERICANS PROVE SLOW LEARNERS

Some 200 years later, the new leaders of the United States started down the same path to monetary ruin that the Duke of Florence had worn into the road of commerce. When setting standards for its new coinage, the idealistic leaders had set the highest standards possible and were not about to debase the coinage just to ease a coin shortage.



The early US silver dollar was actually worth more money in other countries than its official value at home. The results were inevitable; speculators obtained all available coins of our young country and shipped them elsewhere for their higher value. They were melted, recoinced, and probably often shipped back here to be used to purchase more fresh higher-value US coinage for export. It was reported that entire ships were filled with coins in this manner sailing both directions on the Atlantic.

The result was that no matter how much new coinage the young US Mint struck, it was never enough to supplant the inferior foreign coinage which was allowed to circulate until after 1850. Some restraint on this steady outflow of our coins was made with the reduction in precious metal content made by the laws of 1834, 1837 and 1853.

Still, the legal circulation of inferior foreign coins until 1857 allowed the bulk of precious metal coinages from the first sixty years of US Mint production to be shipped away and melted at a profit large enough to finance and reward this speculation as a full-time business.

One might feel assured that at least the United States economy did not suffer the near-collapse which had faced Florence, but, alas, there is no truth

behind that hope. Consider the well-known series of private issues known as Hard Times Tokens from the 1830s. They were issued in an attempt to deal with the lack of legal coinage which was strangling trade. It was not called "Hard Times" for nothing.



1863 Token of J.J. Diehl, a New York Undertaker during the Civil War (actual size)

The ban on foreign coinage circulation in 1857 came so shortly before the Civil War that the problem of inadequate coinage continued. Soon, wartime hoarding necessitated the next emergency issues—Civil War tokens. The United States did not recover from self-inflicted economic injuries until the 1870s, when new supplies of gold and silver from the West allowed an unprecedented wave of new coins from several new mint facilities.

GRESHAM VS. COLLECTORS

If you have ever tried to find a silver *Barile* of Florence from the 1500s or a reasonably priced US Bust-type silver dollar, you will quickly grasp the effect of Gresham's Law on collectible coins. The coins of these periods which were officially undervalued against their intrinsic worth were destroyed for their immediate profitability as bullion. (Prohibiting their melting had no effect; no self-respecting speculator ever let a federal law stand in his way.) They are almost unobtainable as collectors' items except at prices which challenge the budget of all but the most well-heeled.

It is precisely those coins which were officially undervalued in commerce that are now so greatly valued for their rarity.





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